

What is claimed is:

1. A method for structuring a transaction, comprising:  
obligating an agent to act between a first party and a second party;  
obligating the first party to sell a security to the second party;  
obligating the second party to pay an in-lieu-of dividend to the first party;  
periodically marking the security sold by the first party to market; and  
obligating the first party and the second party to unwind the sale of the security.

2. The method of claim 1, wherein the step of periodically marking the security sold by the first party further comprises periodically making a marking payment from the first party to the second party or from the second party to the first party, depending upon the price of the security at the time the security is marked-to-market.

3. The method of claim 2, wherein short exposure to the security is provided to the second party based upon the sale of the security by the first party.

4. The method of claim 3, wherein short exposure to the security is provided to the second party, through the agent, based upon the sale of the security by the first party.

5. The method of claim 2, wherein at least one of the in-lieu-of dividend and the marking payment is paid through the agent.

6. The method of claim 1, wherein at least one of: (a) the identity of the first party is not known to the second party; and (b) the identity of the second party is not known to the first party.

7. The method of claim 1, wherein the step of obligating the first party and the second party to unwind the sale of the security includes obligating the first party to repurchase the security from the second party.

8. The method of claim 1, further comprising obligating the agent to at least partially indemnify the first party against a loss.

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9. The method of claim 8, wherein the loss is caused by the second party failing to carry out an obligation under the transaction.

10. The method of claim 1, wherein the first party retains the proceeds of the sale of the security.

11. The method of claim 1, further comprising obligating the first party to make a payment to the second party.

12. The method of claim 11, wherein the payment is paid periodically using a period selected from the group including: a) daily; b) weekly; c) monthly; d) quarterly; e) semi-annually; f) annually; and g) at the completion of the transaction.

13. The method of claim 1, wherein the in-lieu-of dividend equals at least part of the value of any dividend paid on the security sold by the first party.

14. The method of claim 1, wherein the in-lieu-of dividend is paid periodically using a period selected from the group including: a) daily; b) weekly; c) monthly; d) quarterly; e) semi-annually; f) annually; and g) at or about the period which is correlated with the payment of any dividend paid on the security sold by the first party.

15. The method of claim 1, wherein the marking is carried out in U.S. dollars.

16. The method of claim 1, wherein the marking is carried out periodically using a period selected from the group including: a) daily; b) weekly; c) monthly; d) quarterly; e) semi-annually; and f) annually.

17. The method of claim 1, wherein the security is selected from the group including: a) at least one fixed income security; b) at least one warrant; c) at least one stock; d) at least one option; e) at least one convertible bond; f) at least one non-convertible bond; and g) at least one future.

18. The method of claim 1, wherein the security is selected from the group including: a) at least one security associated with a single stock issue; b) at least one security associated with a

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basket of stocks formed of a plurality of stock issues; and c) at least one security associated with a stock index.

19. The method of claim 1, wherein the first party has a long position in the security.

20. The method of claim 1, wherein the first party is an institutional investor.

21. The method of claim 1, wherein the second party is a hedge fund.

22. A method for structuring a transaction carried out among a first party, a second party, and a third party, comprising:

arranging a first agreement between the first party and the second party, wherein the first agreement:

- i) obligates the first party to sell a security to the third party;
  - ii) obligates the second party to pay a first in-lieu-of dividend to the first party;
  - iii) requires the first periodic marking of the security sold by the first party to market; and
  - iv) obligates the first party to unwind the sale of the security to the third party; and
- arranging a second agreement between the second party and the third party, wherein the

second agreement:

- i) obligates the third party to pay a second in-lieu-of dividend to the second party;
- ii) requires the second periodic marking of the security sold by the first party to market; and
- iii) obligates the third party to unwind the sale of the security made by the first party.

23. The method of claim 22, wherein: (a) the first periodic marking of the security sold by the first party comprises making a first marking payment from the first party to the second party or from the second party to the first party, depending upon the price of the security at the time the security is marked-to-market; and (b) the second periodic marking of the security sold by the first party comprises making a second marking payment from the second party to the third party or from the third party to the second party, depending upon the price of the security at the time the security is marked-to-market.

24. The method of claim 23, wherein short exposure to the security is provided to the third party based upon the sale of the security by the first party.

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25. The method of claim 24, wherein short exposure to the security is provided to the third party, through the second party, based upon the sale of the security by the first party.

26. The method of claim 22, wherein at least one of: (a) the identity of the first party is not known to the third party; and (b) the identity of the third party is not known to the first party.

27. The method of claim 22, wherein the step of obligating the first party to unwind the sale of the security to the third party includes obligating the first party to repurchase the security from the third party and the step of obligating the third party to unwind the sale of the security made by the first party includes obligating the third party to resell the security to the first party.

28. The method of claim 22, wherein the first party retains the proceeds of the sale of the security.

29. The method of claim 22, further comprising obligating the first party to make a first payment to the second party and obligating the second party to make a second payment to the third party.

30. The method of claim 29, wherein each of the first payment and the second payment is paid periodically using a period selected from the group including: a) daily; b) weekly; c) monthly; d) quarterly; e) semi-annually; f) annually; and g) at the completion of the transaction.

31. The method of claim 22, wherein each of the first in-lieu-of dividend and the second in-lieu-of dividend equals at least part of the value of any dividend paid on the security sold by the first party.

32. The method of claim 22, wherein each of the first in-lieu-of dividend and the second in-lieu-of dividend is paid periodically using a period selected from the group including: a) daily; b) weekly; c) monthly; d) quarterly; e) semi-annually; f) annually; and g) at or about the period which is correlated with the payment of any dividend paid on the security sold by the first party.

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33. The method of claim 22, wherein each of the first marking and the second marking is carried out in U.S. dollars.

34. The method of claim 22, wherein each of the first marking and the second marking is carried out periodically using a period selected from the group including: a) daily; b) weekly; c) monthly; d) quarterly; e) semi-annually; and f) annually.

35. The method of claim 22, wherein the security is selected from the group including: a) at least one fixed income security; b) at least one warrant; c) at least one stock; d) at least one option; e) at least one convertible bond; f) at least one non-convertible bond; and g) at least one future.

36. The method of claim 22, wherein the security is selected from the group including: a) at least one security associated with a single stock issue; b) at least one security associated with a basket of stocks formed of a plurality of stock issues; and c) at least one security associated with a stock index.

37. The method of claim 22, wherein the first party has a long position in the security.

38. The method of claim 22, wherein the first party is an institutional investor.

39. The method of claim 22, wherein the third party is a hedge fund.

40. A method for structuring a transaction carried out among a first party, a second party, and a third party, comprising:

obligating the first party to sell a security to the third party;

obligating the second party to pay a first in-lieu-of dividend to the first party;

requiring the first periodic marking of the security sold by the first party to market;

obligating the third party to pay a second in-lieu-of dividend to the second party;

requiring the second periodic marking of the security sold by the first party to market; and

obligating the first party and the third party to unwind the sale of the security made by the first party.

41. The method of claim 40, further comprising obligating the first party to make a first payment to the second party and obligating the second party to make a second payment to the third party.

5           42. A method for structuring a transaction, comprising:  
          obligating a first party to sell a security to a second party;  
          obligating the second party to pay an in-lieu-of dividend to the first party;  
          periodically marking the security sold by the first party to market by periodically making a  
          marking payment from the first party to the second party or from the second party to the first party,  
10       depending upon the price of the security at the time the security is marked-to-market; and  
          obligating the first party and the second party to unwind the sale of the security by obligating  
          the first party to repurchase the security from the second party;  
          wherein short exposure to the security is provided to the second party based upon the sale of  
          the security by the first party.